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E & R AMENDMENTS TO LB 709

1 1. Strike the original sections and all amendments
2 thereto and insert the following new sections:

3 "Section 1. Sections 1 to 8 of this act shall be known
4 and may be cited as the Medicaid Reform Act. The Medicaid Reform
5 Act terminates on January 1, 2006.

6 Sec. 2. The Legislature finds that:

7 (1) The medical assistance program has resulted in
8 significantly increased expenditures by the State of Nebraska;

9 (2) In response to such increased expenditures, the
10 Legislature has taken various actions affecting the availability
11 and adequacy of medical assistance benefits to Nebraska residents
12 under the program;

13 (3) As a result of such increased expenditures, the
14 medical assistance program has become fiscally unsustainable; and

15 (4) Fundamental reform of the medical assistance program
16 is necessary in order to ensure future sustainability of the
17 program for the benefit of Nebraska residents.

18 Sec. 3. The Legislature finds that:

19 (1) The medicaid program under Title XIX of the Social
20 Security Act, 42 U.S.C. 1396 et seq., provides essential health
21 care and long-term care coverage to low-income children, pregnant
22 women, and families, individuals with disabilities, and senior
23 citizens serving over one in ten Nebraskans;

24 (2) The medicaid program covers one in four children in

1 rural areas;

2 (3) The medicaid program is the largest single purchaser
3 of maternity care and pays for over one-third of the births in the
4 United States each year;

5 (4) Medicaid is America's single largest purchaser of
6 nursing home services and other long-term care, covering the
7 majority of nursing home residents;

8 (5) In Nebraska, the elderly and individuals with
9 disabilities comprise twenty-three and three-tenths percent of the
10 medicaid population and represent sixty-seven and two-tenths
11 percent of medicaid expenditures;

12 (6) In Nebraska, low-income children and their parents
13 comprise seventy-six and seven-tenths percent of the medicaid
14 population and represent thirty-two and eight-tenths percent of
15 medicaid expenditures;

16 (7) Medicaid pays for personal care and other supportive
17 services necessary to enable individuals with disabilities to
18 remain in the community, to work, and to maintain independence; and

19 (8) Medicaid is the single largest source of revenue for
20 the nation's safety net hospitals and health centers and is
21 critical to the ability of these providers to continue to serve
22 medicaid enrollees and uninsured Americans.

23 Sec. 4. The purpose of the Medicaid Reform Act is to
24 provide for reform of the medical assistance program established in
25 section 68-1018, also known as medicaid, and a substantive
26 recodification of statutes relating to such program, including, but
27 not limited to, the enactment of policies to (1) mitigate the

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1 growth of medicaid spending without shifting the cost of providing
2 medical services to county government or to the providers of care,
3 (2) ensure future sustainability of the medical assistance program
4 for Nebraska residents, (3) establish priorities and ensure
5 flexibility in the allocation of medical assistance benefits, and
6 (4) provide alternatives to medicaid eligibility for Nebraska
7 residents.

8 Sec. 5. It is the intent of the Legislature to provide
9 for the development of a medicaid reform plan for the State of
10 Nebraska and the enactment of necessary and appropriate legislation
11 to implement such plan.

12 Sec. 6. The Governor and the chairperson of the Health
13 and Human Services Committee of the Legislature shall each
14 designate one person who shall be responsible to the Governor and
15 the committee for the development of a medicaid reform plan for the
16 State of Nebraska. Such plan shall be developed in consultation
17 with the Governor, the committee, the Policy Cabinet established in
18 section 81-3009, and the federal Centers for Medicare and Medicaid
19 Services. Public input shall be solicited, and at least one public
20 meeting shall be conducted in each congressional district during
21 preparation of the plan and prior to submission of the plan.
22 Monthly reports shall be provided to the Governor and the committee
23 during preparation of the plan. Such reports shall be reviewed by
24 the Medicaid Reform Advisory Council established in section 7 of
25 this act and shall be available to the public. Such plan shall be
26 submitted to the Governor and the Legislature no later than
27 December 1, 2005, and shall include recommendations for the

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1 development of medicaid plan amendments and waivers and draft
2 legislation necessary to support such plan. The committee shall
3 conduct a public hearing on or before December 15, 2005, to receive
4 public input regarding the plan.

5 Sec. 7. (1) The Medicaid Reform Advisory Council is
6 established. The council shall consist of five persons appointed
7 by the Governor and five persons appointed by the chairperson of
8 the Health and Human Services Committee of the Legislature. The
9 council shall consist of, but not be limited to, at least one
10 representative from each of the following classes of persons:
11 Health care providers, health care consumers and consumer
12 advocates, business representatives, insurers, and elected
13 officials.

14 (2) The council shall meet monthly with persons
15 designated by the Governor and the chairperson of the Health and
16 Human Services Committee under section 6 of this act and shall
17 review monthly reports submitted by such designees under such
18 section. Minutes of such meetings shall be available to the public
19 and provided to the Governor and members of the Health and Human
20 Services Committee of the Legislature.

21 (3) Members of the council shall serve without
22 compensation for such service but shall be reimbursed for their
23 actual and necessary expenses as provided in sections 81-1174 to
24 81-1177.

25 Sec. 8. The chairperson of the Health and Human Services
26 Committee of the Legislature, in consultation with the committee,
27 may prepare and introduce legislation in the Ninety-ninth

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1 Legislature, Second Session, to implement the medicaid reform plan
2 developed under section 6 of this act.

3 Sec. 9. Sections 9 to 13 of this act shall be known and
4 may be cited as the Long-Term Care Partnership Program Development
5 Act. The Long-Term Care Partnership Program Development Act
6 terminates on January 1, 2006.

7 Sec. 10. The purpose of the Long-Term Care Partnership
8 Program Development Act is to provide for the development of a plan
9 to establish a long-term care partnership program in the State of
10 Nebraska and the enactment of necessary and appropriate legislation
11 to implement such plan and such program.

12 Sec. 11. The Legislature finds that:

13 (1) The medical assistance program has resulted in
14 significantly increased expenditures by the State of Nebraska;

15 (2) Efforts must be made to encourage the purchase of
16 long-term care insurance and reduce reliance on medicaid to fund
17 long-term nursing home services and home or community-based
18 services;

19 (3) Several states have enacted legislation to establish
20 long-term care partnership programs that contain asset protection
21 components, including estate asset protection after the death of
22 the insured;

23 (4) The federal Omnibus Budget Reconciliation Act of 1993
24 limited state asset protection programs established after May 14,
25 1993, by requiring recovery from the estates of all persons
26 receiving services under medicaid;

27 (5) Several states have memorialized Congress to remove

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1 such restrictions on state asset protection programs; and

2 (6) It is prudent to develop a plan for the establishment
3 of a long-term care partnership program in the State of Nebraska
4 and the enactment of necessary and appropriate legislation to
5 implement such plan and such program in the event that current
6 federal restrictions are removed.

7 Sec. 12. The Nebraska Health and Human Services System
8 and the Department of Insurance, in consultation with the Health
9 and Human Services Committee of the Legislature, shall prepare a
10 plan for the establishment of a long-term care partnership program
11 in the State of Nebraska. Such plan shall be submitted to the
12 Governor and the Legislature no later than December 1, 2005. In
13 preparing such plan, the Nebraska Health and Human Services System
14 and the Department of Insurance shall analyze partnership programs
15 established by states prior to the enactment of federal
16 restrictions on the establishment of such programs under the
17 federal Omnibus Budget Reconciliation Act of 1993.

18 Sec. 13. The chairperson of the Health and Human
19 Services Committee of the Legislature, in consultation with members
20 of the committee, may prepare and introduce legislation in the
21 Ninety-ninth Legislature, Second Session, to implement the plan
22 developed under section 12 of this act.

23 Sec. 14. Since an emergency exists, this act takes
24 effect when passed and approved according to law."

25 2. On page 1, strike beginning with "medicaid" in line 1
26 through line 3 and insert "health care; to adopt the Medicaid
27 Reform Act and the Long-Term Care Partnership Program Development

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- 1 Act; to provide termination dates; and to declare an emergency.".